

Agency Activity Inventory by Agency

Appropriation Period: 2003-05 Activity Version: 2004 Sup w/ Alloc & Activities

Agency: 160 - Office of Insurance Commissioner

Agency Administration

The Insurance Commissioner is responsible for regulating the insurance industry in Washington State. The activities of the Office of the Insurance Commissioner are primarily funded by fees from insurance organizations. Agency management develops policies, regulations, and codes to ensure that the citizens of Washington are able to access affordable insurance, as well as provides the administrative support necessary for other divisions within the office to carry out their functions. (Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$3,181,000	\$0	\$3,181,000	33.5	\$3,362,000	\$0	\$3,362,000	34.5

Expected Results:

To provide executive and administrative services in support of the agency's mission in a professional, qualitative, and responsive manner which emphasizes efficiency and cost-effectiveness.

Agents and Brokers Licensing and Education

Staff involved in this activity issues and renews licenses for agents, brokers, solicitors, adjusters, viatical settlement brokers, and others. Staff also administers continuing education requirements. (Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$639,000	\$0	\$639,000	12.0	\$666,000	\$0	\$666,000	12.0

Expected Results:

Licensing and Education staff issues approximately 28,000 new licenses and 89,000 new appointments per year; and renews approximately 22,774 licenses and 125,000 appointments per year.

Consumer Information and Advocacy

Staff responds to oral and written complaints and inquiries from consumers regarding insurance companies, and acts as an advocate when appropriate. Assistance is rendered to enforce the various provisions of the insurance code and is based on authority to take disciplinary action against an insurance company and other licensees. The unit's primary function is to ensure that consumer rights have not been violated. Staff also provides information to help consumers make educated decisions about insurance purchases. (Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the economic vitality of businesses and individuals

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FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,888,000	\$0	\$1,888,000	26.5	\$2,135,000	\$0	\$2,135,000	26.5

Expected Results:

Consumer Advocacy staff receives and answers approximately 112,500 inquiries and recovers an estimated \$13.55 million per year for consumers as a result of their intervention.

Health Insurance Benefit Advisors

The Statewide Health Insurance Benefits Advisors HelpLine (SHIBA) is a statewide network of trained volunteers who educate, assist, and advocate for consumers regarding health insurance and health care access issues. (Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,426,000	\$0	\$1,426,000	15.0	\$1,660,000	\$0	\$1,660,000	15.0

Expected Results:

SHIBA HelpLine staff and volunteers receive and answer approximately 89,000 inquiries per year and recover an estimated \$1.03 million per year for consumers as a result of their intervention.

Investigations and Enforcement

Staff investigates and acts upon violations of laws and rules regarding sales and marketing practices, account standards, and related matters. Staff also assists consumers with problems involving insurance sales or marketing practices by agents, brokers, or insurers. (Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$958,000	\$0	\$958,000	11.0	\$998,000	\$0	\$998,000	11.0

Expected Results:

Investigations and Enforcement staff recover an estimated \$2.07 million per year for consumers as a result of their intervention, and bring approximately 17 agents and/or brokers per year into compliance through their enforcement actions.

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Monitoring Insurance Company Solvency

This activity protects consumers by monitoring the solvency of insurance carriers, health care service contractors, health maintenance organizations, and certified health plans authorized to conduct business in Washington State. Solvency issues may be identified through market conduct examinations, financial examinations, or financial analysis of statements filed by insurers. If increased monitoring activity and insurer's response to that activity does not result in an improvement of the solvency issues, the Insurance Commissioner may petition the Superior Court for a rehabilitation order. Upon entry of a rehabilitation order, the insurer's management is suspended, and the Insurance Commissioner and their staff, as officers of the court, manage the insurer's operations. If rehabilitation is deemed unlikely, the court may order the insurer liquidated. The Insurance Commissioner continues to manage the operations of the insurer until liquidation is complete. (Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$4,475,000	\$0	\$4,475,000	52.8	\$4,506,000	\$0	\$4,506,000	55.4

Expected Results:

Company Supervision staff complete approximately 14 market conduct and financial examinations of insurers each year. Staff also completes approximately 300 detailed desk examinations of quarterly and annual financial statements and reviews approximately 96 monthly statements filed by domestic insurers; reviews cursory quarterly review of statements filed by almost 1,400 foreign insurers; and reviews intermediate quarterly review of statements filed by approximately 236 financially distressed foreign insurers.

Policy and Enforcement

Staff handles enforcement actions against insurance companies, health carriers, and others; provides information and counsel to other agency divisions; and supports the public policy activities of the agency.
(Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,559,000	\$0	\$1,559,000	16.5	\$1,693,000	\$0	\$1,693,000	18.5

Expected Results:

Legal Affairs staff recovers an estimated \$994,000 per year for consumers as a result of their intervention and each year brings approximately 189 companies, health carriers, and others into compliance through their enforcement actions.

Regulation of Insurance Rates and Forms

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Staff reviews and approves the complex actuarial formulas, assumptions, and experience data submitted as part of a proposed rate filing to assure rates are neither excessive, inadequate, nor unfairly discriminatory. Timely and accurate review is necessary to assure the financial viability of the insurance company, as well as protecting Washington citizens from overcharges. Policy forms are reviewed to assure that the terms and conditions of the insurance contract comply with state and federal laws prior to sale in Washington.

(Insurance Commissioner's Regulatory-State)

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$2,444,000	\$0	\$2,444,000	29.1	\$2,528,000	\$0	\$2,528,000	29.0

Expected Results:

Rates and Forms staff reviews approximately 8,500 rate filings and 10,000 form filings per year.

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